GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3678
ANSWERED ON:18.12.2006
DECLINE IN PRICE OF COTTON
Jindal Shri Naveen

Will the Minister of AGRICULTURE be pleased to state:

(a)Whether the prices of Cotton have been falling steeply in the country as reported in `Dainik Jagran` dated October 11, 2006 ;

(b) If so, the reasons therefor; and

(c) The steps taken by the Government to safeguard the interest of the agriculturists ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE(SHRI KANTI LAL BHURIA)

(a)&(b) : The `Dainik Jagran` dated October 11, 2006 reported fall in prices of cotton (Kapas) and lint in some Mandis of Punjab and North India due to slump in market. It also mentioned that in the Mandis of Punjab, Haryana and Rajasthan, the market arrival of cotton has been lower. As per information available from the Cotton Corporation of India(CCI), the opening prices of Kapas during the current cotton season 2006-07 in the Northern Zone are ruling above the Minimum Support Price(MSP) level. The MSP for 2006-07 had been fixed by the Government on 26.9.2006 at Rs.1770 per quintal for Cotton (Kapas) of medium staple length and at Rs.1990/- per quintal for long staple length cotton (Kapas). The MSP per quintal of other varieties of Kapas ranges from Rs.1320/- to Rs.3400/-. Variation in MSPs is due to difference in quality and other factors. Rise and fall in prices in the open market are due to interplay of demand and supply forces. Currently, the prices of Kapas have been ruling in the range of Rs.1800/- to Rs.2100/- per quintal in Northern States. Cotton arrivals are higher in Punjab and Haryana.

(c) : With a view to safeguard the interests of farmers, the Government has announced the MSPs well before the commencement of the Kapas season. The CCI is the nodal agency to undertake MSP operations. The MSP operations of CCI are in progress. The CCI has been continuing its operations including the States of Punjab, Haryana and Rajasthan.